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STATE CAPITOL
PHOENIX, ARIZONA

October 27, 1971

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DEPARTMENT OF LAW OPINION NO. 71-38 (R-90)

REQUESTED BY: MAY OATES
Director, Incorporating Division
Arizona Corporation Commission

QUESTION: May the Arizona Corporation Commission
license foreign professional corporations?

ANSWER: No.

For the reasons that follow, it is our opinion that any foreign professional corporation authorized to render a personal service which, prior to the effective date of the Professional Corporation Act, could not be performed in Arizona by a corporation (e.g., dentistry, A.R.S. § 32-1262), may not be licensed to do business in Arizona.

Article 15, § 5 of the Arizona Constitution provides as follows:

"The Corporation Commission shall have the sole power to issue certificates of incorporation to companies organizing under the laws of this State, and to issue licenses to foreign corporations to do business in this State, as may be prescribed by law." (Emphasis added.)

Accordingly, the right of a foreign corporation to do business in Arizona is defined by statute. "Professional corporation" is defined in the Professional Corporation Act (A.R.S. §§ 10-901, et seq.) in part as follows: "... a corporation organized under this chapter. . . ." Nowhere in that chapter is the Arizona Corporation Commission authorized to license foreign professional corporations. The catch-all provisions of A.R.S. § 10-904 are limited as follows:

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"Professional corporations shall be governed by the laws applicable to other Arizona private corporations. . . ."

The phrase "Arizona private corporations" is nowhere defined by statute; however, it is our opinion that the most reasonable interpretation of the phrase is that it refers to private corporations organized under the laws of Arizona.

Accordingly, it is our opinion that the Legislature has not prescribed power to the Arizona Corporation Commission to license foreign professional corporations.

Respectfully submitted,

Gary K. Nelson
by F.S.

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The Attorney General

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